

Victoria: Implementation Plan and Performance Report (Plan) - 2023

Preschool Reform agreement – 2022 to 2025

This Plan covers:

- the implementation activities for the period 1 January 2023 to 31 December 2023 (Tables 2 – 4);
- the performance report for the period 1 January 2023 to 31 December 2023 (Annex 1 & 2).

PART 1: PRELIMINARIES

1. This Plan is a schedule to the Preschool Reform Agreement 2022 – 2025 (the Agreement) and should be read in conjunction with the Agreement. This Plan covers the period from 1 January 2023 to 31 December 2023.
2. The Agreement reaffirms a national commitment to provide universal access to, and improved participation by, children in quality preschool programs in the year before full-time school (YBFS), with a focus on Aboriginal and Torres Strait Islander children and disadvantaged children. These programs should be delivered in a manner that meets the needs of children, parents and communities at a cost which does not present a barrier to participation.
3. The objective of the Agreement is to facilitate children’s early learning and development and transition to school by maintaining universal access to quality preschool programs for all children, improving participation in preschool programs and maximising the benefit of the preschool year by improving outcomes for children.
4. The Agreement supports the delivery of 15 hours a week, or 600 hours a year of quality preschool programs, by a degree qualified early childhood teacher for all children, regardless of the setting in which programs are delivered, in the year before school.
5. The Agreement has a focus on improving preschool participation and outcomes including for Aboriginal and Torres Strait Islander children and disadvantaged children.
6. This Plan is the second of four annual implementation plans that build on each other to deliver the reforms outlined in the Agreement.

PART 2: TERMS AND DEFINITIONS OF THIS PLAN

7. This Plan will commence as soon as it is agreed between the Commonwealth of Australia, represented by the Minister for Early Childhood Education, and the State of Victoria, represented by their Minister for Education.
8. As a schedule to the Agreement, the purpose of this Plan is to provide the public with an indication of how the State of Victoria demonstrates its capacity to achieve and deliver the outcomes of the Agreement.
9. This Plan will cease on completion of the final performance reporting and the processing of final payments against the performance benchmarks or milestones set out within it for 2023.
10. The Commonwealth Government Department of Education and central agencies will develop a new template for Implementation Plans from 2024 in consultation with states and territories (States). The Commonwealth will require new and additional information in accordance with the Agreement and the Federal Funding Agreements Principles from 2024.
11. This Plan may be varied by written agreement between the Commonwealth and the responsible State Minister.
12. The Parties to this Plan do not intend any of the provisions to be legally enforceable. However, that does not lessen the Parties' commitment to the Plan and its full implementation.
13. 'Preschool program' is defined as per the Agreement (Definitions, p.15 of the Agreement - *Preschool program (alternatives to agreed definition)*), and will include:
 - a. an educational program delivered in accordance with the Early Years Learning Framework (or equivalent) and the NQF delivered by an early childhood teacher; and
 - b. an educational program delivered by an educator or primary teacher who is working towards an early childhood teaching qualification for a short-term, due to the absence of a qualified early childhood teacher.

PART 3: FUNDING CONTRIBUTION

Commonwealth Funding Contributions

14. The Commonwealth's estimated total financial contribution to the State of Victoria is set out in Tables 1a (program year) and 1b (financial year) of the Agreement.
15. However, the Commonwealth's financial contribution in individual program years is adjusted in accordance with the notes to Tables 1a and 1b of the Agreement. Consistent with the agreed adjustment process, the final amounts for 2023 are set out in **Table 1**.
16. **Table 1** does not include funding for children who repeat the YBFS. This funding will be calculated and paid in arrears per Appendix A.1 to the Agreement.

17. The Commonwealth contribution can only be moved between years with the agreement of the Commonwealth Minister. This would address extraordinary circumstances only and details would be agreed in the context, noting Commonwealth Funding Follows Child requires funding is expended in the year for which it is provided.

Table 1: 2023 Commonwealth financial contribution to the State of Victoria¹

Category	Amount ¹
Estimated YBFS Financial Contribution	\$107,437,787
Adjustment to YBFS Estimated Financial Contribution	(\$975,619)
Additional funding to maintain 2021 levels	\$22,084,318
Total Commonwealth financial contribution	\$128,546,486

¹Figures may not add due to rounding.

18. **Table 2** should be used to show how the State of Victoria will use Commonwealth funding to meet the objectives of the Agreement. This may include strategies to facilitate preschool attendance by children in the year before full-time school.

Table 2: Program/activities objectives and outcomes¹

	Program/activity	Outputs	Objectives	Outcomes	Estimated Cth funds allocated
Program year funding (Commonwealth Funding Follows Child)					
1.	Provision of 15 hours per week of four-year-old kindergarten	Quality, affordable preschool programs	To facilitate children's early learning and development	All children have access to, and are able to participate in, an affordable, quality early childhood education program	\$106,462,168
2	Strategies to facilitate participation in preschool by children in the YBFS	Quality, affordable preschool programs	To facilitate children's early learning and development	All children have access to, and are able to participate in, an affordable, quality early childhood education program	
Additional funding to maintain 2021 funding levels					
3	Provision of 15 hours per week of four-year-old kindergarten	Quality, affordable preschool programs	To facilitate children's early learning and development	All children have access to, and are able to participate in, an affordable, quality early childhood education program	\$22,084,318

¹ This table is based on current ABS data. Victoria is continuing to refine preschool data with the Australian Bureau of Statistics to ensure it most accurately reflects service delivery and the YBFS population in Victoria .

Total all programs and activities	\$128,546,486
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Four-Year-old Kindergarten (preschool for children in the year before school) is delivered by a diverse range of service providers in Victoria, including government and non-government providers, private for-profit providers, and community service organisations. The Victorian Government funds these services, irrespective of setting to contribute to the cost of delivery a funded kindergarten program. Under Victorian Government kindergarten funding guidelines, children can only be enrolled in one Victorian funded kindergarten place at any one time.

Commonwealth Funding Follows Child will be calculated based on the per child funding amount and the number of Victorian Government funded Four-Year-Old Kindergarten enrolments in each sector. The data source to allocate and acquit Commonwealth Funding Follows Child, will be the Kindergarten Information Management System, which is Victoria's data system for calculating kindergarten funding. This will provide data for the 2023 calendar year.

State context and funding contributions

19. The Victorian Government has an ongoing commitment to strengthening and expanding early childhood education. This work commenced with the release of the *Education State Early Childhood Reform Plan* in 2017; and the delivery of Three-Year-Old Kindergarten across the state.
20. In June 2022, the Victorian Government committed an additional \$9 billion to expand early childhood education programs across the state to continue the Best Start, Best Life reform. This means that:
 - a. From 2023, Free Kinder will be available for all Victorian three and four year old children at participating services in both standalone (sessional) services and long day care (childcare) settings – a saving of up to \$2,500 per child, every year.
 - b. Over the next decade, Four-Year-Old Kindergarten will transition to 'Pre-Prep' – increasing to a universal 30-hour a week program of play-based learning for every four-year-old child in Victoria.
 - c. 50 Victorian government-owned and affordable childcare centres will be established. These centres will be built in areas that have unmet demand and will make it easier for families to access childcare. The first of the centres will be available in 2025.
21. A diverse range of service providers deliver kindergarten in Victoria, including government and non-government providers, private for-profit providers and community service organisations. The Victorian Government funds these services, irrespective of setting, to contribute to the cost of running a funded kindergarten program.
22. Victorian 2023 funding rates for all services are available on the Victorian Department of Education website at: <https://www.vic.gov.au/kindergarten-funding-rates>
23. As a condition of opting into Free Kinder, services providing a sessional program must offer all families a free 15-hour per week program for four-year-old enrolments and a free kindergarten program of between 5 and 15 hours for three-year-old enrolments. Where longer program hours are offered these additional hours must be optional. Participating sessional

kindergarten services can charge parents for optional program hours over and above the 15 funded hours per week (600 hours per year) and / or 'wrap around' care.

24. Long day care service providers that opt into Free Kinder are required to directly offset the full \$2,000 Free Kinder payment from the fees of parents with children receiving their funded kindergarten program at the centre. Long day care services must use any surplus funding (i.e., for the minority of cases where parents are charged less than \$2,000 in out-of-pocket fees for the year) on improvement efforts for the funded kindergarten program, such as improving quality and supporting engagement.
25. Service providers that do not opt into Free Kinder may charge families fees to help meet the cost of running kindergarten programs. Fees are set by individual services and can vary depending on service type, how many hours a child attends, group size and extra costs such as excursions.
26. In developing this Implementation Plan consideration has been given to the Victorian context. Key factors listed below:
 - a. the historic community ownership of kindergartens
 - b. the maturity of the kindergarten system which is operating at close to full capacity (spaces and teachers) in some areas such as growth corridors and inner metropolitan suburbs
 - c. the extent to which the full range of early years services (kindergarten for both 3- and 4-year-olds, playgroups etc.) are embedded in and valued by local communities
 - d. anticipated continuation of the high participation rate in Victorian kindergarten programs
 - e. the ongoing commitment of the National Quality Framework
 - f. ongoing population growth in parts of Victoria
 - g. policy and legislation that may impact on access and participation (e.g. Victoria's No Job No Pay, the Australian Government's No Job No Pay and the changes to the Child Care Subsidy)
 - h. the ongoing impact of the coronavirus (COVID-19) pandemic on the Victorian community
 - i. the ambitious expansion of the *Best Start, Best Life* reform over the next decade.
27. Victoria is committed to implementing a full attendance data collection system across our sessional preschool sector – which is the largest and most diverse such sector in Australia. This is a large scale, complex project that requires creation of new system and change management strategies for services and our workforce.
28. For performance arrangements in 2024, Victoria will work in good faith with the Commonwealth Government to develop the best possible picture about attendance levels, noting Victoria's attendance system will not be in place at that time. This is consistent with

the principles of providing transparent and fulsome data, appropriate to each state's context. It may be achieved with a combination of Child Care Subsidy data and any available Victorian data.

29. In 2025, Victoria will provide data from its attendance data collection system. However, as Victoria implements the new attendance collection system, it should be acknowledged that there may be variability in the data and this data may not be comparable to data in 2024.
30. Given the potential difficulty in comparing data between 2024 and 2025 attendance, this will be taken into consideration when assessing Victoria's performance against attendance targets in 2025. Further, growth trajectories across these years may not be able to be meaningfully tracked and as such, bilateral attendance growth targets for Victoria for 2025 should take this into account. Victoria acknowledges the Commonwealth Government has committed to the principle that targets be non-punitive in nature, achievable, cognisant of baseline data and State's circumstances.
31. The Victorian Government undertakes a range of activities to help meet the objectives of maintaining universal access to affordable, quality preschool programs for all children, improving participation in preschool programs, and maximising the benefit of the preschool year by improving outcomes for children. These actions are outlined in Table 4.

Implementation Project Funding Contributions

32. This section will include a State's summary of details of implementation project funding provided by the Commonwealth including funding amounts, purpose and the State's progress in implementing the project to date. States will be required to provide details of how Implementation Project Funding will be used to deliver reforms, including key performance indicators (KPIs) and timing. Details will be captured at **Table 3**.

Table 3: Overview of Implementation Project Funding for State of Victoria - Statement of Allocations²

Implementation Project (details)	Commonwealth funding	Actions (incl. deliverables)	KPI	Timing (incl. delivery schedule)
Attendance data collection	\$5,750,000	<ul style="list-style-type: none"> Continue scoping and preparing for new state-based system to collect attendance data from sessional services e.g. IT system development. Agree approach to collection for 2024. Utilise any excess funding not required for scoping and preparing the new state-based system 	<ul style="list-style-type: none"> Scoping complete in first half of 2023. Commence system development. 	December 2023

² Updated for 2023 Implementation Plan

		to begin to implement changes required data collection.		
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33. Consistent with the terms of the Agreement, Commonwealth funding for Implementation Projects was provided as part of the first milestone payment of the Agreement, when the Commonwealth and State agreed the 2022 Implementation Plan.

Risk Management

34. The State of Victoria will actively identify, monitor and manage the risks associated with delivering outcomes under the Agreement, such as through maintaining their own risk management plan.

PART 4: REFORMS

35. As part of the Agreement, the State of Victoria and the Commonwealth agree to work collaboratively to implement reforms outlined in the Additional terms in the Agreement.
36. The actions that the State of Victoria will undertake to meet these commitments are detailed in **Table 4**.

Table 4: Planned Actions for the period 1 January 2023 to 31 December 2023 for the State of Victoria

Reform Element	Actions	Timing
Reform Element One: Implement Commonwealth Funding Follows Child		
Details of how the Commonwealth Funding Follows Child at the setting level will be implemented in the State.	Measures to be undertaken in 2023 <ul style="list-style-type: none"> • Victoria has a strong foundation for ensuring Commonwealth funding is allocated to settings in which children attend preschool, through its service agreement monitoring. • The eligibility criteria for services to receive Victorian Government kindergarten funding is outlined in Victoria’s Kindergarten Funding Guide (https://www.vic.gov.au/kindergarten-funding-guide) • Victoria is continually reviewing how to strengthen and enhance current contract management arrangements and processes. • At the end of 2023, Commonwealth Funding Follows Child will be acquitted using information collected by the Victorian Department of Education on funded kindergarten enrolments. 	Throughout 2023
Reform Element Two: Implement a new national preschool attendance measure		
Work to ready the State to measure preschool attendance in 2025 and provide baseline data to the Commonwealth in 2024.	Measures to be undertaken 2023 <ul style="list-style-type: none"> • Continue scoping and preparing for new state-based system to collect attendance data from sessional services, e.g. IT system development. • Commence development of the new attendance data collection system. 	Throughout 2023
Strategies to facilitate participation in preschool by children in the YBFS. For strategies relating to Aboriginal and Torres Strait Islander children, consistent with the Closing the Gap agreement, engage those communities and/or representative bodies in the design process.	Measures to be undertaken 2023 <ul style="list-style-type: none"> • The department works closely with local government, kindergarten providers and other stakeholders to support attendance through initiatives such as: <ul style="list-style-type: none"> ○ Free Kinder – supports access to two years of high-quality kindergarten programs for all Victorian children by making this free. Free Kinder will be available for 3 and 4-year-old kindergarten programs from 2023. ○ Early Start Kindergarten – provides targeted funding for vulnerable or Aboriginal children to attend a free kindergarten program two years before school. This 	Throughout 2023

Reform Element	Actions	Timing
	<p>creates a pathway for children who are at risk of not engaging to enrol in YBFS preschool programs in the following year.</p> <ul style="list-style-type: none"> ○ Access to Early Learning program – provides additional support for children experiencing vulnerability and/or disadvantage to address complex barriers to participation in early childhood education and care. ○ Early Childhood LOOKOUT – supports children in out-of-home care to attend kindergarten, and builds the capacity of the sector to identify and engage children in out-of-home care in kindergarten and support vulnerable children at risk of entering out-of-home care. ○ Pre-Purchased Places – targeted services receive funding to reserve places for vulnerable children or disadvantaged children who enrol late. ○ School Readiness Funding – supports kindergartens to reduce the impact of educational disadvantage. Services can use this needs-based funding to access high-quality programs and supports that benefit children in the priority areas of communication (language development), wellbeing (social and emotional), and access and inclusion. ○ Kindergarten Inclusion Support Program – supports children with a disability, high support needs, and/or complex medical needs. ○ Specialist support to address barriers to participation experienced by children and families from CALD and refugee backgrounds, including through outreach workers employed by local government. ○ Kindergarten Central Registration and Enrolment Schemes (CRES) – provides a single point of contact for families to apply for multiple kindergarten services in their area, to help secure a place that best suits their needs. CRES is underpinned by six principles that promote consistent, inclusive and equitable access to 	

Reform Element	Actions	Timing
	<p>kindergarten places, and it supports the identification and engagement of families who may need more support to register and enrol.</p> <ul style="list-style-type: none"> ○ Department of Education Early Childhood Improvement Branch staff – responsibilities include conducting outreach work with kindergarten service providers and local governments to support access to, and participation in, preschool programs. ○ Significant investment to grow workforce and infrastructure capacity as part of the Best Start Best Life Reforms. 	
Reform Element Three: Implement a new national preschool outcomes measure from 2025		
Plans for how the State will work collaboratively with the Commonwealth to develop the preschool outcomes measure.	<p>Measures to be undertaken 2023</p> <ul style="list-style-type: none"> ● Victoria undertakes to continue to work collaboratively with the Commonwealth on the development of the preschool outcomes measure. 	Throughout 2023
Reform Delivery/Implementation		
State-specific data and implementation issues and strategies for how these will be overcome in the context of assessing performance under the Agreement.	<p>Measures to be undertaken 2023</p> <ul style="list-style-type: none"> ● Victoria will continue to refine preschool data with the Australian Bureau of Statistics to ensure it most accurately reflects service delivery and the YBFS population in Victoria. 	Throughout 2023

PART 5: PERFORMANCE AND REPORTING ARRANGEMENTS

37. Part 5 sets out the performance and reporting arrangements for the State of Victoria for 2023.
38. The Commonwealth and State based collections or data sources and methodologies, agreed by both the Parties to this Plan, to measure progress against the performance milestones and benchmarks and targets in the Agreement, are set out in Part 5 of this Plan and Appendix B of the Agreement.
39. These data and performance specifications will be used to report State of Victoria performance, except for the supplementary data agreed by the Parties to this Plan.
40. Supplementary data reports must contain the following details for each Performance Indicator (PI) where the method is not consistent with the Early Childhood Education and Care Minimal Data Set (NMDS):
 - a. PI calculation description (numerator, denominator, computation, and presentation)
 - b. numerator information (collection name and population description)
 - c. denominator information (collection name and population description)
 - d. calculation notes (including any information about how the PI is calculated)
 - e. methodology
 - f. rationale for supplementary data and reporting (including any additional information to explain how and why the specifications for the supplementary data differ from the specifications in the NMDS).

Performance requirements, reporting and payment summary 2023

41. Performance Reporting for 2023 will capture progress against planned actions undertaken by the State of Victoria as detailed at Table 4.
42. Performance results and reporting will be signed off by the Commonwealth Minister who will then inform the State of Victoria Minister of the outcome through an exchange of letters.

Sign off

43. The Parties have confirmed their commitment to this agreement as follows:

Signed for and on behalf of the State of Victoria by



17/04/2023

Signature **Date**

Ingrid Stitt MP

Minister for Early Childhood and Pre-Prep

Signed for and on behalf of the Commonwealth of Australia by



11/3/23

Signature **Date**

The Hon Dr. Anne Aly MP

Minister for Early Childhood Education | Minister for Youth

Annex 1 – Funding Follows Child Acquittals**Commonwealth Funding Follows Child acquittals (updated by 31 March 2024)**

Requirements for Commonwealth Funding Follows Child can be found in Appendix A to the PRA.

Examples of the types of program expenditure and subsidies that meet these requirements include:

- a. For enrolled children (in each setting):
 - i. Fee relief for families
 - ii. Provision of early childhood teachers to deliver preschool programs
 - iii. Quality improvements, including teacher recruitment and retention
 - iv. Program subsidies, including needs-based funding models or additional support

- b. For funding that cannot be attributed to an children enrolled in a quality preschool program:
 - i. Communication and outreach
 - ii. Enrolment and attendance strategies, particularly for Aboriginal and Torres Strait Islander children and disadvantaged children.
 - iii. Specialised programs, without which children would have no access to preschool programs, or programs that meet their individual needs

It is not the intention of Funding Follows the Child that per-child contributions are used to support:

- c. For enrolled children (in each setting):
 - i. Programs that cannot be attributed to settings
- d. For children who are not enrolled:
 - i. Universal program subsidies and fee relief for children enrolled in preschool programs.

States should provide an account of how FFC is allocated across settings and describe their approach or methodology to derive their calculation for the number of children in the YBFS within a particular setting. States should also provide some explanation of their method for estimating the YBFS population which is not yet participating in preschool.

To acquit funding by setting, states will need to complete Tables 1, 2 and 3 below and submit these to the Commonwealth by 31 March 2024.

In Table 1, States should set out the number of children that attended preschool in their YBFS in each setting as determined using the methodology outlined in their implementation plans. They should also include the total funding spent in each setting.

Table 1. Summary of children and Commonwealth funding spent by setting

Setting	Number of Children attending preschool in the YBFS	Total Commonwealth funding spent in setting
CBDC	State calculation of [n] children in YBFS counted against setting.	\$N.Nm
Stand-alone	State calculation of [n] children in YBFS counted against setting.	\$N.Nm
School-based preschool	State calculation of [n] children in YBFS counted against setting.	\$N.Nm
Total Commonwealth Funding spent in all settings		\$N.Nm

In Table 2, states should provide a summary of expenditure by program for initiatives that were undertaken to promote enrolment and attendance in preschool in reference to clause 7 of Appendix A. Again, this should reflect the methodology described in the State's implementation plan.

Table 2. Summary of expenditure of Commonwealth funding not attributed to children in the YBFS enrolled in preschool (children in the YBFS who are not enrolled)

Estimated number of children in the YBFS, for which funding cannot be attributed to children in in any setting	Total Commonwealth funding spent
State calculation of [n] children	\$N.Nm

In Table 3, States should acquit funding against programs outlined in Table 2 of Implementation Plans. Where a program runs across more than one setting, a row should be added for each setting. This table relates to clauses 6 and 7 of Appendix A which outline the purposes for which Commonwealth funding should be used.

Table 3. Commonwealth funding by program and setting

Item	Setting	Program description	Amount (\$)
<i>Auto #</i>	<i>e.g. School-based</i>	<i>Type a description of the program.</i>	<i>\$NNN,NNN</i>
1.	Choose an item.	Click or tap here to enter text.	\$0
			\$ 0.00

Additional funding to maintain 2021 levels is not required to be acquitted through this template. However, States may choose to acquit this funding in these tables if this cannot be separated. States may also choose to include state funding at their own discretion.

Annex 2 – Progress Update

Progress update on actions agreed in the Implementation Plan

States reporting should provide updates on work agreed in Implementation Plans (Table 4) including implementation of attendance strategies in the following tables. The below table provides a template for the submission of this progress update.

Table 1: Reporting on delivery of Planned Actions for 2023 (update by 31 March 2024)

Element	Agreed Action	Progress Update
Reform Element One: Implement Commonwealth Funding Follows Child		
How Commonwealth funding follows child at the setting level will be implemented in the State	As per Table 4 in the Implementation Plan in 2023	A progress update on actions agreed at Table 4 provided in Annex 1
Reform Element Two: Implement a new national preschool attendance measure		
Work to ready the State to measure preschool attendance in 2025 and provide baseline data to the Commonwealth in 2024.	As per Table 4 in the Implementation Plan in 2023	A progress update on actions agreed at Table 4
Strategies to facilitate participation in preschool by children in the year before full-time school. For strategies relating to Aboriginal and Torres Strait Islander children, consistent with the Closing the Gap agreement, engage those communities and/or representative bodies in the design process.	As per Table 4 in the Implementation Plan in 2023	A progress update on actions agreed at Table 4
Reform Element Three: Implement a new national preschool outcomes measure from 2025		
Plans for how the State will work collaboratively with the Commonwealth to develop the preschool outcomes measure.	As per Table 4 in the Implementation Plan in 2023	A progress update on actions agreed at Table 4
Reform Delivery/Implementation		
State-specific data and implementation issues and strategies for how these will be overcome in the context of assessing performance under the Agreement.	As per Table 4 in the Implementation Plan in 2023	A progress update on actions agreed at Table 4